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Chair

Mr. Tom Lukiwski

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● (1105)

[*English*]

The Vice-Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): Ladies and gentlemen, we have quorum and, therefore, I will start the meeting.

We are studying the Phoenix report. We have with us Michael Ferguson, the Auditor General, with Jean Goulet. From the Treasury Board Secretariat, we have Peter Wallace and Sandra Hassan, and from Public Services and Procurement Canada, we have Marie Lemay and Les Linklater.

As per the request, the Auditor General is going to speak for 10 minutes first, followed by Ms. Lemay and Peter Wallace.

The floor is yours, Mr. Auditor General.

Mr. Michael Ferguson (Auditor General of Canada, Office of the Auditor General): Thank you.

Madam Chair, thank you for this opportunity to present the results of our audits of building and implementing the Phoenix pay system and of Phoenix pay problems. Joining me at the table is Jean Goulet, the principal who was responsible for both audits.

In 2009, Public Services and Procurement Canada started its transformation of pay administration initiative to transform the way it processed pay for its 290,000 employees. There were two projects: one to centralize pay services for 46 departments and agencies that employed 70% of all federal employees, and the other to replace the 40-year-old pay system used by 101 departments and agencies.

[*Translation*]

In our audits, we reviewed Public Services and Procurement Canada's development and implementation of the Phoenix pay system and how the department managed the pay problems that the implementation of Phoenix caused.

In our audit of building and implementing the Phoenix pay system, we examined whether the decision to launch the new pay system included considerations of whether the system was fully tested, functional and secure and whether it would protect employees' personal information.

We concluded that the Phoenix project was an incomprehensible failure of project management and project oversight which led to the decision to implement a system that was not ready.

In order to meet budgets and timelines, Public Services and Procurement Canada decided to remove critical pay functions, curtail system tests and forego a pilot implementation of the system.

[*English*]

Phoenix executives ignored obvious signs that the Miramichi pay centre was not ready to handle the volume of pay transactions, that departments and agencies were not ready to migrate to the new system, and that Phoenix itself was not ready to correctly pay federal government employees. When the Phoenix executives briefed the deputy minister of Public Services and Procurement Canada that Phoenix was ready to launch, they did not mention significant problems that they knew about. Finally, the decision to launch Phoenix was not documented.

In our audit of Phoenix pay problems, we examined whether Public Services and Procurement Canada worked with selected departments and agencies to fix Phoenix pay problems so that government employees would receive their correct pay on time. After Phoenix went live in February 2016, the government frequently could not pay public servants accurately or on time. We found that pay problems continued to grow throughout the period of our audit.

A year and a half after the government launched the Phoenix pay system, the number of public servants waiting for a pay request to be processed had reached more than 150,000 in the 46 departments and agencies whose pay services were centralized. Those 150,000 employees were waiting for about 500,000 pay requests to be processed. Those numbers did not include the outstanding pay requests in the 55 departments and agencies whose pay services were not centralized, and also did not include the outstanding requests required by the collective agreements with federal public service unions that were signed in the fall of 2017.

[*Translation*]

Problems grew to the point that the value of outstanding pay errors totalled more than half a billion dollars at the end of June 2017. This amount consisted of money owed to employees who had been underpaid as well as money owed back to the government by other employees who had been overpaid.

Departments and agencies struggled with Phoenix pay problems from the time the system went live. However, it took Public Services and Procurement Canada four months to recognize that the problems went beyond normal processing levels.

We concluded that Public Services and Procurement Canada did not identify and resolve pay problems in a sustainable way to ensure that public service employees would receive their correct pay on time. In fact, according to the department, a backlog of unresolved pay requests continued to grow after the date of our audit conclusion.

In my opinion, there were three issues that were common to both the Phoenix implementation project and the department's immediate response to the post-implementation problems.

● (1110)

Those were a lack of oversight or governance to guide management activities, a lack of engagement with affected departments, and an underappreciation of the seriousness of the problems.

[*English*]

Before I close, I want to mention that in addition to the two audits I referred to, included in our spring 2018 report of the Auditor General was a message from the Auditor General in which I indicated that I believe that the culture of the federal government enabled Phoenix to become an incomprehensible failure, and I believe the committee should consider how that culture contributed to the failure.

Madam Chair, this concludes my opening remarks. We'd be pleased to answer any questions the committee may have.

Thank you.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Mr. Ferguson.

Now we go to Madam Lemay for 10 minutes.

Ms. Marie Lemay (Deputy Minister, Department of Public Works and Government Services): Thank you, Madam Chair.

I'm joined today by our associate deputy minister, Les Linkiater. We appreciate the opportunity to appear before you to discuss the Auditor General's studies of Phoenix. Public Services and Procurement Canada accepts the Auditor General's recommendations and has taken measures to respond to them.

I want to begin by acknowledging that this issue is fundamentally about people. This situation has put a strain on many public servants, for which I am deeply sorry. I know we've said it, but we're sincerely sorry.

This issue is also about those working hard to fix the pay system. I can assure you that we have extraordinarily dedicated teams that are working very hard to address their colleagues' pay issues. Without question, this situation has taken a heavy toll on too many employees.

[*Translation*]

The Auditor General's spring report examines the planning and development of Phoenix from April 2008 to April 2016. This period predates the senior leaders now working on pay at Public Services and Procurement Canada, but while the decision-makers have changed, the lessons of past actions cannot be forgotten.

There were serious flaws in the planning and implementation of Phoenix and in the broader transformation of the Pay Administration Initiative. We know that cost and timelines were prioritized. As result, poor decisions were made. Critical elements of the project, including some system functionality, testing, change management and training were removed or deferred. These decisions, coupled with the elimination of 700 compensation positions—and the resulting loss of critical capacity and expertise—led to a government-wide transformation that couldn't perform as planned and users who weren't prepared for this significant change.

Within the senior levels of PSPC, and I would say across government, the project's scope and implications were vastly underestimated. The Goss Gilroy Inc. report also cited this fundamental gap as a central failing of the project. When the deadline for implementation came, it was thought that the system was ready to go. Clearly, it was not.

[*English*]

I don't believe anyone acted with ill intent, but the two senior executives responsible for the project who reported to the deputy minister did not properly assess the complexity of the undertaking, the cumulative impact of their decision, or the seriousness of the early warnings.

The performance of these senior executives has been evaluated and appropriate measures have been taken. They are no longer involved in pay administration, and they did not receive performance pay for their work on Phoenix during 2015-16 when the system was finalized and launched.

As I mentioned, this situation has caused significant stress for many employees. Understandably, people want someone to blame. What has happened is unacceptable. The Auditor General has identified that senior executives at PSPC made significant mistakes, but he has also acknowledged that there were oversight and governance issues. I believe that there were multiple points of failure. We have to learn from all of them.

Accountability needs to be coupled with authority for projects like pay transformation to succeed. Public Services and Procurement Canada officials had full authority on Phoenix, but not over the government-wide human resources processes. For example, we should have had an integrated HR and pay approach all along.

We need to do better. We need to give our people the tools and the environment needed to succeed.

Madam Chair, we can't rewrite history, but we can benefit from it. The Auditor General's report provides invaluable advice that is helping us to move forward.

● (1115)

[*Translation*]

I'd like to turn now to the specific recommendations offered by the Auditor General in his spring report, which focus on future planning of IT projects. PSPC has a long history of managing many large-scale, complex, multi-faceted projects on behalf of clients, such as pension modernization and the Long-Term Vision and Plan for the Parliamentary Precinct. We currently manage over 430 projects with a budget of over $13 billion.

PSPC has rigorous and effective processes in place to manage large-scale projects. Our experience with Phoenix has highlighted the need for an enhanced approach for the management of complex enterprise-wide IT projects.

To fill this gap, PSPC will work with partners to develop a gating tool. This tool will determine if a specific project under our responsibility should be managed through departmental project management practices and processes, or through an enhanced government-wide IT project management approach.

We will also develop an enhanced project management playbook detailing how our government-wide IT projects are to be managed, clearly laying out the roadmap of what has to be done and by whom. It will address governance, and oversight project management principles, roles and responsibilities, and the audit function, among other elements.

[*English*]

These actions will allow us to respond to the Auditor General's recommendation, by ensuring that we have robust governance and oversight for all government-wide IT projects under our responsibility. This approach will also ensure that enterprise-wide IT projects include a stakeholder engagement plan to ensure active collaboration with departments and agencies. This engagement will allow us to better define system requirements and, importantly, validate system performance. These IT projects will also include a formal software upgrade plan and a comprehensive contingency plan.

Finally, PSPC will ensure that internal audits provide the deputy minister with the appropriate assurances regarding project governance, oversight, and management.

Madam Chair, work is under way to develop and formalize both the gating process and the playbook, but I want to assure members that the lessons drawn from Phoenix are already being applied within PSPC. For the here and now, our priority remains helping employees facing pay issues.

In November, we announced a suite of measures to stabilize the pay system and reduce wait times and late transactions for missing pay. These activities were based on the findings of the Goss Gilroy report and aligned with the Auditor General's fall recommendations. Oversight has been strengthened. Departments and agencies can now monitor and act on the quality of their data. Submission of timely and accurate HR information into Phoenix has a major impact on the timeliness and accuracy of pay.

In May, Minister Qualtrough visited the public service pay centre in Miramichi and announced the expanded rollout of a new pay pod approach, an idea that originated with the staff. Pay pods are teams of pay specialists who are assigned to exclusively serve a specific department or agency. A pilot of this approach reduced the case backlog of three pilot departments by 30% overall and their backlog older than 30 days has gone down by 41%.

We are very optimistic about the positive impact of the pay pod approach and we are looking forward to the impact, as it is rolled out across more departments over the next year.

[*Translation*]

Finally, we have increased capacity and service to employees.

As I mentioned, a critical gap was created when more than 700 compensation positions were cut in 2014. This meant that we implemented Phoenix with only 550 compensation staff. We have since almost tripled this amount.

Recognizing the need to provide more useful support to employees, we have also enhanced our Client Contact Centre and they have direct access to Phoenix as well as other systems. This allows employees to get detailed information about their pay files directly from public servants working at the centre.

We continue to refine and implement improvements and are beginning to see slow but steady progress.

Our most recent dashboard shows that our backlog is down 25,000 transactions from last month and, with minor fluctuations, has steadily declined since January 2018. As pay pods are expanded, we expect this decline in backlogged transactions to pick up speed.

● (1120)

[*English*]

Madam Chair, the ongoing public service pay problems are completely unacceptable and addressing them remains our department's top priority. We are working relentlessly to ensure that public servants are paid correctly and on time.

There were serious flaws in the planning and implementation of the pay transformation. It is clear that there were multiple points of failure. Our responsibility moving forward is to ensure that we learn from all of the mistakes made, so that something like this never happens again.

We look forward to your questions.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

We now go to Mr. Wallace for 10 minutes, please.

Mr. Peter Wallace (Secretary of the Treasury Board of Canada, Treasury Board Secretariat): Thank you so much for the invitation to appear before your committee and help with your important work in reviewing the Auditor General's report on building and implementing Phoenix.

Joining me today is Sandra Hassan from Treasury Board Secretariat, assistant deputy minister of the compensation and labour relations sector.

[*Translation*]

As Secretary of the Treasury Board, I support the board in its role as the employer of the core public service.

In that capacity, I want to start by saying that the government takes very seriously its responsibility to pay its employees accurately and promptly.

[*English*]

Without question, the pay issues affecting employees and their families are unacceptable, and we are deeply sorry for that. I echo the sentiments expressed by Madam Lemay. We are taking action not only to resolve these issues, but of course to also support those employees who have been affected.

The government has put in place several measures for those affected employees. These measures of course include ensuring that advances are made and paid on a priority basis, providing flexibility in the recovery of overpayments, and establishing effective claims processes to compensate employees for expenses and financial losses occurred because of the unacceptable challenges associated with Phoenix.

In tandem with these support efforts, a huge push is under way, led by Public Services and Procurement Canada, to stabilize the pay system. At the same time—and this of course touches on the key themes raised by the Auditor General last week—we are equally determined to mitigate the risks associated with Phoenix and ensure that we are never confronted by a project failure of this magnitude.

Last year, Treasury Board Secretariat commissioned Goss Gilroy to look at some of the very issues raised by the Auditor General. We see the recommendations of this report, along with those of the Auditor General, as foundational guidance. In its October 2017 response to Goss Gilroy the government said that it is committed to building capacity in such key areas as project management, information and technology management, revamping its approach and policies for project management and procurement, and of course excelling in service delivery for the benefits of Canadians.

On pay transformation specifically, the government has already put in place new interdepartmental governance, both within the senior ranks of the public service and of course through the ministerial working group.

I'll now turn to the Auditor General recommendation for the Treasury Board in this most recent report.

[*Translation*]

It states that we should, for all information technology projects: carry out independent reviews of the projects' key decisions to proceed or not, and inform the projects' responsible deputy minister and senior executives of the reviews' conclusions.

[*English*]

Without reservation we concur with this vitally important recommendation. We will conduct independent reviews of government-wide projects to identify corrective actions and we will communicate the conclusions and remedial actions required. In the meantime, we are of course strengthening our policies as well as improving governance, changing the role of the chief information officer to further ensure that government-wide IT initiatives are well planned and executed. I echo the sentiments expressed by my colleague moments ago.

Now I will turn to budget 2018 and Phoenix.

In budget 2018, the government made a number of commitments to address the ongoing challenges in the Phoenix pay system. One of these of direct relevance to Treasury Board Secretariat is the provision of $16 million, to be led by Treasury Board Secretariat experts along with our colleagues in public sector unions and technology providers, on a way forward for a new pay system.

In looking at all options, we will have a relentless focus on the user and on a system that links HR actions with pay transactions. This will not happen overnight, nor should it happen overnight, being mindful of the lessons we have learned from Phoenix. We will diligently apply those lessons and ensure that all projects move forward on a constructive, timely, and thoughtful basis.

In closing, let me reiterate that my department, along with senior management throughout the public service, is fully engaged in this file.

Thank you. We look forward to your questions.

● (1125)

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

Committee members, the witnesses will stay until one o'clock, but we would like a little extension after one, so that we can go in camera for two minutes to discuss timing for Monday. Is that okay?

Thank you.

We'll start off the first seven-minute round with Mr. Jowhari, please.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Madam Chair.

Thank you to the witnesses.

Before I start my questioning, I'd like to table the following document, in both official languages. It was acquired through the access to information project. I'd like to hand it over to the clerk to distribute to all the members. This has to do with the briefing that was provided to the minister on February 18 vis-à-vis the status of the Phoenix implementation.

To the witnesses, thank you very much for your testimonies. A large business transformation enabled by technology, such as the Phoenix implementation, usually has a very structured implementation approach when it's being led by one of the five large implementation organizations. There have been a number of discussions around the challenges, such as oversight and culture, but I really want to focus on the activities that happened prior to that, what in the terminology of large business transformations is called, "go live".

By way of background and transparency, I was a management consultant for 25 years. I've implemented a lot of large business transformations enabled by technology, so I'm very familiar with the process that Phoenix went through.

As part of the go/no-go or go-live decisions, traditionally there is a call, or there is a sequence of go/no-go decisions being made. During that process, the readiness assessments of the project from various aspects are reviewed, such as project management, the ability to see the "go live," as well as the transition and stabilization.

Policies such as security, access to the information, processes—whether the processes are being redesigned—technology such as the functionality of the system working properly, and people, training, and whether the organization restructuring was completed..... There are two other elements that I haven't heard much of. One of them is the implementation of a rollout strategy, and the other one is the contingency plan.

As far as implementation of a rollout strategy is concerned, traditionally, either we have a phased approach, or we have what's called a "big bang" approach.

During a phased approach, a pilot project is launched for a specific department to make sure all the functionality works. From your testimony, it looks like that pilot was skipped, or that it was decided not to proceed with it. Therefore, as an implementation strategy, it was decided that all functionality, all sides, or what's called a "big bang" approach would be taken.

When an organization chooses to go with a big bang strategy or an implementation strategy, the huge risk as far as system implementation is concerned is if something goes wrong. Hence, the concept of a contingency plan, which is basically, "How do we roll back?" and in the case something goes wrong, "What is our recovery strategy?" plays a huge role in that.

During the readiness assessment review that was done, was there ever a recovery strategy or a contingency plan discussed? If it was discussed, what was it?

● (1130)

Ms. Marie Lemay: I'd like to start by saying that neither I nor Mr. Linklater was there at the time, so I will be answering based on my knowledge, which I gathered either through discussions, through reading, or through colleagues. Before I do, I just want to point out that we often forget that this pay transformation was really two projects. There was the modernization—the IT project—but there was also the consolidation, which was the pay advisers. Those two happened at the same time.

In terms of contingency, to go directly to your question, you're correct from what I gathered also that the pilot project was not done. The decision not to do the pilot project was made considering that there was going to be more testing done closer to wave one. The contingency plan was for the transfer of the data. My understanding is that the biggest risk felt at the time was that when you actually turned the switch on, the data would not transfer from one system to the other, and the paycheques would not go out every two weeks.

There was a contingency plan until after the first wave. If there had been any fatal errors in that transfer, they would not have moved to the second wave. There were no fatal errors, so, by default, the second wave was basically going.

In terms of a contingency plan for what we're facing now, in terms of the compensation advisers and being able to process all of the transactions, it's clear that there was no contingency plan at that level. Frankly, I think part of what we're learning is that the complexity of this was never estimated. It was underestimated. There was no contingency plan for that aspect, so we had to react in real time to increase the capacity of the people to be able to do the transactions.

Mr. Majid Jowhari: When I look at this and I look at the presentation, there was a review of the technology, and of the process, and a review of the people. When the switch was turned on, and we went from one system to another system, and then we started experiencing all these challenges, was there really an option considered that was "it's not working now so let's switch back to what we were doing before", or was it that this was the path that we set ourselves...not ourselves, but that project management had set us on this path of no return and we did not have any other choice but to go live.

Ms. Marie Lemay: There was a very short contingency plan for the transfer of the data. Immediately after wave one, if there had been problems in the data transfer, then they could have stopped. There were no problems with the data transfer. That's how the project was planned. There was no fatal issue with the data transfer.

I'm thinking of the employees who are listening. That has nothing to do with their pay because it's actually the ongoing pay that we're doing.

The problems started when all of the change requests, the actions, the overtime, and all of those things that we had to do either manually or there was more that we had to do. The capacity was not there to be able—

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Ms. Lemay.

Mr. McCauley, you have seven minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Great. Everyone, welcome back.

Mr. Ferguson, I was watching the testimony with the Senate. We have some witnesses from Queensland, Australia, talking about their issues with their rollout and their payroll. Their Auditor General said they had very similar issues that we had here, as well, but they tackled theirs the third payroll. They said that, after the third pay run, they started to address issues after one month. They reached, what we've been calling here, a steady state after just four months.

Have you looked at how they tackled their problem, as compared with how we tackled ours in Canada, for lessons that we should learn here or things that we overlooked here?

Mr. Michael Ferguson: We did look at what happened in Queensland and how they resolved it. We really looked at that as reference material to assess what was going on here, both in Public Services and Procurement Canada and in Treasury Board, to determine how the government, here in Canada, was dealing with the issue.

That's what we were doing. We found the same types of things that you said. They recognized the problem very quickly and recognized that they needed to put in place a way of dealing with it. Fundamentally, we said that here, it took much longer to recognize the seriousness of the problem and put in place an all-of-government governance structure to deal with those problems.

I think the Queensland example is a very good reference point for how to deal with those types of issues.

● (1135)

Mr. Kelly McCauley: In committee, from the very beginning with Phoenix, the Queensland issue came up, I think it was, two a half years ago, brought up by ourselves and our NDP colleague. Do you think that, if we had a chance to learn from them immediately, we could have avoided a lot of the problems we're facing now?

Mr. Michael Ferguson: I think the largest issue that probably caused the slow-down.... There were a couple of things. Number one was the need to have recognized that this was going to be a problem and that this was going to be a long-term problem, so not something that would be resolved quickly.

The other thing about it was—again, it goes back, very much, to the audit we just released and the decision to launch Phoenix, even though the information was there, indicating that the compensation advisers couldn't handle the volume. I think the biggest problem at that point, once it was understood that the compensation advisers couldn't handle the volume, was how you get more compensation advisers.

That was what needed to be identified early on and how many of them. Then it would take time to get those people, get them trained, and get them understanding the system to be able to bring them back on. I think those were the two things: the slow recognition but also the fact that there just were not enough compensation advisers to deal with the problems.

Mr. Kelly McCauley: The Australians did mention they jumped on that immediately and flooded workers into the issue, again almost immediately, by their third or fourth pay run.

They also testified that they would not be considering switching that pay system at all. They've had a long stretch fixing it, like we are having with Phoenix.

Do you believe that they're going down the right path, by just stabilizing and fixing what they have, rather than switching to a new system? That leads into what you think of our path that we're looking at here of stabilizing Phoenix, pouring resources into it, but at the same time looking at starting a brand new program or system.

Mr. Michael Ferguson: It's the government's decision as to what it wants to do in the long term with respect to pay, so regardless of whether it's going to stay with Phoenix or it's going to move to something else, it needs to get Phoenix stabilized. It needs to get Phoenix to the point that it is processing transactions correctly, because, obviously, if you're going to stay with Phoenix, it needs to be able to do the job. If the government decides it wants to change systems at some point, it can't start a new system up with many thousands, or hundreds of thousands, of errors. The system needs to be able to have good information, so one way or another, they have to get that information stabilized. Then there is the longer-term decision, and that's a policy decision of government.

Mr. Kelly McCauley: You don't have an opinion on it.

Mr. Michael Ferguson: I'm not allowed to have an opinion on it.

Mr. Kelly McCauley: Thanks.

Over the course of your research, I'm just wondering if you found any indication that the minister's office was receiving regular and proper briefings. One of the things that came out of the Senate testimony is that IBM commented that—I think it was—in December, they got shut out entirely, weren't invited to do any briefings, weren't invited to offer any information, and back. I think we've heard other testimony that Minister Foote, who preceded Hon. Carla Qualtrough, was not receiving regular updates.

Mr. Michael Ferguson: Again, our reach does not extend into conversations that happen in ministers' offices. Once we get into that world of cabinet confidence, we can't get there, but I think what I can say very clearly is that our audit indicated that the senior executives of the Phoenix project were controlling all of the information and the flow of information that went up. We saw that they did not fully brief the deputy minister, so I think, by extension, you can surmise that information could not then have flown further from the deputy minister. Again, we have no way of knowing what actually happened in ministers' offices.

Mr. Kelly McCauley: You've called the program, and actually other programs in your audit, incomprehensible failures and I think most of us in this room will agree, and it's not just over Phoenix. We hear again and again that people were consulted, but a lot of that information did not make it up to the top. I'm just wondering how we can force openness.

It's not just the Phoenix program. We have a lot of other programs, whether it's providing safe drinking water, the shipbuilding project—which is going to be $60 billion to $100 billion—or the fighter jets. How can we ensure, going forward, that we actually have the openness required for the minister to make the proper decisions? We don't want to end up in a situation like this again, where everyone seems to know there's a problem, but it's not getting up to the minister or to the proper decision-makers?

● (1140)

Mr. Michael Ferguson: I think there are two aspects to it. I think one is procedural, to make sure that people recognize when there is an issue and bring the issue forward. I think the other part of it is cultural, to make sure the culture within government is open to that type of conversation.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

We'll go to Mr. Blaikie for seven minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

There was one thing I wanted to quickly ask the Auditor General. We had the President of the Treasury Board at committee here back in the fall and I was talking to him about the 4,000 civilian members of the RCMP who are going to be deemed into the public service. At that time, I asked him if it really made sense to be moving them into the public service and onto the Phoenix payroll system when it was obviously a mess and it wasn't working. He agreed that it didn't make sense and shortly thereafter workers were notified that the deeming would be postponed indefinitely. Subsequently, it's been reported in the media that the government plans to go ahead with that deeming process in 2020.

Do you think the government is in a position to predict when the problems of Phoenix will be resolved, and to take a serious decision, like transferring another 4,000 people onto the Phoenix payroll system, or are they not really in a position to predict when these problems will be resolved?

Mr. Michael Ferguson: To predict when the problems will be resolved, I think there needs to be an indication that the problems are starting to reduce. We've heard today that there are some signs, perhaps, that some of that is happening, and maybe the pod approach will help, but I don't think the signs have been significant enough yet to indicate the problem has been resolved.

Again, I can't speak to a decision like that, we haven't audited that decision, but in terms of the government's being able to predict when the system is on the route to stabilizing, I think that's going to be evident in the data and the analysis.

Mr. Daniel Blaikie: Thank you.

You mentioned in your general message that there were changes that had to go beyond the recommendations you made in your report. You also made some comments today about the fact that the scope of your investigation doesn't cover everything.

Are there other types of investigation or other avenues that ought to be pursued to try to get some of the answers to the legitimate questions that fall outside the scope of your particular study?

Mr. Michael Ferguson: We do various types of audits. This audit is a performance audit. It is very much an audit of a government system, a government program, processes, and how all that rolled out. What we do in that type of audit is that we follow the paper trail. We also interview people and get corroboration on what they tell us, but we can only go so far and we can only comment on certain types of things that need to be based on what the evidence shows us.

That's our expertise. I don't have expertise in the other avenues that might be available, but the committee certainly needs to be aware of those things, what those other avenues are, and the government or the committee needs to decide whether it wants to avail itself of those avenues.

Mr. Daniel Blaikie: We've heard a little today from some of the departments involved with regard to the steps they are taking to try to rectify this.

You've said elsewhere that government has a lot of good policy on the books in terms of project management that is supposed to help alleviate or prevent the kind of catastrophic failure we saw in the Phoenix case. How can Canadians have confidence that these things are being addressed and that they are not going to happen again?

In your general message you talk about a pervasive overall government culture. What are some of the signs that you would be looking for that the general culture, which helped lead to this failure, is changing, and that we're not just hearing the right form, or the right words, but without the substantive content to back it up?

● (1145)

Mr. Michael Ferguson: At the end of the message I prepared I indicated I don't have an instruction manual on how to change or fix a culture. The culture, however you want to define it, very much needs to reflect on the fact that, again as I said in the message, even though we are operating in a world that has many different types of controls in place already, which have been designed to prevent this type of thing and many of those controls probably were put in place in response to past Auditor General reports when we identified significant issues, somehow those controls did not work to prevent Phoenix from happening.

The first step is a general awareness within the culture that just following the form, I suppose, of policies is not going to prevent incomprehensible failures. There needs to be a real understanding of what the goals are, what the results are that departments are trying to achieve, and that they are focused on those things, and that when something looks like it's going off the rails, they feel they can and do bring those problems forward.

I don't have the answer to the problems with the culture or how to fix those problems. I was trying to raise awareness, and if there's at least some awareness about that, then perhaps that can contribute to preventing this type of situation in the future.

Mr. Daniel Blaikie: Thank you very much.

With apologies to our witnesses, we are just going to take a brief detour. We're up against a deadline for the estimates. I had served a notice of motion on Tuesday to extend our study of the estimates until June 20, 2018, and I'd like to move that motion now. If you like I can move it right away. Do you want the motion read?

The Vice-Chair (Ms. Yasmin Ratansi): I'll read the motion. It's in order.

It is: That, notwithstanding Standing Order 81(4) and the deadline contained in the Order of Reference, the Committee request permission from the House to table its report on the Main Estimates 2018-19 no later than June 20, 2018.

Mr. Daniel Blaikie: Thank you very much.

The reason for presenting this motion is to try to create some more time to study the estimates. I respect our witnesses here and I don't want to take up all of the time that we have to ask questions of them on an important issue, but the fact is that these estimates are not like other estimates. The new central vote under Treasury Board pretty seriously and significantly alters the nature of parliamentary oversight over government spending. It's a case I've been trying to make in many forums. I've tried to make that case here at committee, but I've also tried to make that case in the House.

When making that case in the House, I've been told by the Speaker that the appropriate place to discuss the estimates is at committee, and we have heard from some witnesses. We've had a couple of different motions in various forms and in various stages of consideration to call other ministers to this committee to hear more about the initiatives proposed under vote 40. My motion to that effect was voted down. Other motions are extant, but we haven't had any time to consider the estimates proper either, even though we have over 200 amendments proposed to vote 40 alone.

If we're going to be told by the Speaker of the House that the place to deal with issues on the estimates is at committee, I think it's incumbent upon the committee to make some time for that. I would very much like to see that happen, and just haven't been able to make it happen so far.

With respect to the general issue of oversight that I think this raises with Treasury Board vote 40, I think it's interesting that this motion comes in our last meeting before the estimates are deemed reported and that we're discussing Phoenix, because the Phoenix issue is really about a failure of accountability. It's about people, whose job it was to ask the right questions at the right time, either not asking those questions or not having the information that they needed in order to be able to ask those questions.

I would put to the committee that something similar is happening here. This committee hasn't heard from the people it needs to hear from in order to be able to ask the right questions about the proposed spending in vote 40, and if we're not going to make time in order to deal with the estimates, then we're not going to be asking those questions.

I think it would be unfortunate. We had a meeting last week where we ended 40 minutes early, after twice deciding not to deal with the estimates. It was a scheduled meeting. I think everybody normally sets aside the normal committee time in order to be there. The room was available. The translators were there. We had everything we needed in order to be able to deal with the estimates at that time, and we decided not to and to leave those 40 minutes on the table.

That's why I'm in the unfortunate position of having to take some of the time away from the Phoenix study today in order to try to make more time for what I think is a very appropriate item of business for the committee. I won't take any further time, but those are the reasons that I think we ought to adopt this motion.

● (1150)

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Peterson.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thanks, and I appreciate the motion, of course.

Mr. Blaikie may not be aware of this, but under the Standing Orders, the Leader of the Opposition can pick a committee to extend the study of the main estimates. That motion is now on the notice paper and the leader selected OGGO, not surprisingly. We expect it will be deemed adopted later today or tomorrow, so the procedure of keeping the study of the estimates open that your motion seeks is actually already in place, and that authority already exists.

Mr. Daniel Blaikie: One day, though....

Mr. Kyle Peterson: I'm not sure if your motion is necessary. We're going to have a chance to go over the estimates sometime next week, I would think on Monday, and have some witnesses in to testify, and of course, be subject to our questioning.

The Vice-Chair (Ms. Yasmin Ratansi): We have Mr. McCauley first.

Mr. Kelly McCauley: I'll cede.

The Vice-Chair (Ms. Yasmin Ratansi): You'll cede to Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much for that.

What I would note is that this motion actually provides for a substantial amount of time in order to try to coordinate meetings, and if there are negotiations about a potential Monday meeting, I have not been approached either directly or through the government whip's office to the NDP whip's office about any negotiations for a Monday meeting. There may be some rumours circulating but there has been no formal discussion with me or with my party about that.

What I would say is that the mechanism that has been used by the leader of the official opposition only allows for an extension of the study—I'm sure Mr. Peterson will know—up to the third day preceding the last supply day. At the moment, our understanding, given the projected calendar of government business, is that the last supply day may very well be on Thursday, which means that the last possible day for consideration would be Monday, which is June 11, nine days before June 20, which is the date in my motion.

Notwithstanding any legitimate procedural efforts by the official opposition to extend the study, I think that the motion before us provides a lot more latitude in order to have a bit of extra time to study the estimates, to do it in a way that's more planned, rather than a rushed meeting on a Monday, not knowing whether Monday is going to be the last day or whether we'll have subsequent days.

This motion provides both more time and more certainty with respect to the committee planning its business.

The Vice-Chair (Ms. Yasmin Ratansi): Mr. Peterson, you're next on the speaking list.

Mr. Kyle Peterson: I've heard Mr. Blaikie's argument and I've made mine. We obviously disagree a little bit, but I'm happy to vote on it, if you're ready, Madam Chair.

The Vice-Chair (Ms. Yasmin Ratansi): Mr. Peterson is calling for the vote.

Mr. McCauley.

Mr. Kelly McCauley: I'll be very brief. I think we support Mr. Blaikie's comments.

Yes, there is the opportunity, perhaps Monday, for a meeting, though I think we should take time, considering it's $7.4 billion of spending. It's an unprecedented spending amount. We've heard repeatedly, in many other committees, that the minister shows up and is not able to address the $7.4 billion that's in table A2.11. We heard in the public safety committee and we heard in this committee that ministers have come but are not able to explain in detail one penny of what the money is being asked for. In fact, we actually heard, in this committee, a senior assistant deputy minister and a chief financial officer say it was preposterous for Parliament to ask for details of spending before we granted the authority.

I think we're addressing a culture issue, which Mr. Ferguson has brought up, in which we have assistant deputy ministers telling Parliament that it's preposterous to ask for details of the spending, saying that they want authority first to spend the money before they will deign to allow Parliament and therefore taxpayers to vote on it. I think it's a very important issue that Mr. Blaikie has brought up, and we fully support it.

● (1155)

The Vice-Chair (Ms. Yasmin Ratansi): Okay. I'll call the vote on it.

Mr. Daniel Blaikie: I'd like a recorded vote.

(Motion negatived: nays 5; yeas 3 [See *Minutes of Proceedings*])

The Vice-Chair (Ms. Yasmin Ratansi): We'll continue with the next round of seven minutes.

Mr. Drouin.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Madam Chair, and I want to thank the witnesses for being here.

Madam Lemay, I want to put on the record that we have access to.... Somebody did an ATIP request on a presentation. You were probably not there yet, but this was a presentation given to the DM and the minister's office.

The curious thing that I'm looking at is on page 3, "Where are we on Technology?" I have the following bullets:

> Automated 80,000 business rules
>
> Completed 16,000 test scripts
>
> Completed performance testing
>
> Some outstanding issues for which manual processes have been developed until fixes are introduced in May and September 2016.

At the bottom of the page is written, in bold letters, "Ready to go!" There's the same thing on page 4: "Ready to go!" There's the same thing on page 5: "Ready to go!"

We now know, today, that it was not ready to go, but had you been there, how would you have reacted to this information? Obviously the information given to your office at the time and to the minister's office was essentially that this system was ready to go.

I don't see any alternatives here. Was there an alternative to the Phoenix pay system, had it not gone forward at that time? With the information that we have today, do we know that?

Ms. Marie Lemay: You're correct to say that I wasn't there at that time. This reflects what we said earlier, that it was thought that the system was ready to go. Obviously it wasn't.

Maybe, just to answer your question—hindsight is 20/20—I can tell you how I deal with these things today. Should I have a presentation like that, I would have to be comfortable that we are in the position of being ready to go before I briefed the minister on it.

I believe you're referring to a February.... That's the one I know of that says, "Ready to go!"

Mr. Francis Drouin: It's from February 18, 2016.

Ms. Marie Lemay: I hope I would never get to a point that I got a presentation like that and then had to go back. We're trying very hard, Les and I and Michael, our other colleague, to create a culture at PSPC—learning from Phoenix, frankly—such that the questions, the discussions will take place and that we'll be able to ask the deep questions, have those conversations, and create a safe space for employees to have a respectful workplace, a healthy workplace. That's what we're striving for.

It's not an easy thing, though, and I think we just have to remind ourselves that this is something that will take time.

[*Translation*]

We will have to be absolutely convinced.

[*English*]

I would have to say that in just about every speech I make to staff, we talk about this and about creating this space and environment, but we can't stop. It will take time. Employees need to see that we walk the talk and that we mean it. I would not want a presentation like that coming at me if I hadn't been prepared for those type of recommendations.

[*Translation*]

Mr. Francis Drouin: We understand the role of PSPC and the culture you are trying to instill within your department.

What are the responsibilities of the other departments for the Phoenix pay system? I am thinking, for instance, of human resources services. What role does Treasury Board now play in that file?

● (1200)

Ms. Marie Lemay: As we said, at the time, we had all underestimated the complexity of this project. We should very clearly have defined the involvement, role and responsibilities of everyone concerned right from the outset. This became very clear with the Goss Gilroy Inc. report.

Today, Mr. Linklater manages a team that really integrates human resources and pay services. The other departments are, however, involved, because all of them must also deal with human resources issues related to employees or managers. And so it is very important that the data that is processed is specific and provided on time, and we have learned a lot of lessons from Phoenix.

We now have a governance structure that allows us to hold these discussions and to verify results.

Mr. Francis Drouin: You mentioned the precision of the data. You said that you should have adopted an integrated approach to human resources and pay services from the beginning. Do you think that you now have the correct data? Did they play a role in the implementation of the system?

Ms. Marie Lemay: I think we have to admit that we have been in catch-up mode from the beginning of the implementation of Phoenix. If we could start over, everyone's roles and responsibilities would be made very clear, as well as the nature of the data. We are more hopeful; the departments are increasingly involved, but as I was saying, we are still working very hard on this.

I would have preferred that we have these discussions on roles and responsibilities from the beginning rather than after the project was brought onstream. We have learned our lesson with regard to other government-wide projects. I want to reiterate that PSPC manages a lot of large projects successfully, more than 400 at this time, as I indicated earlier, which represent $13 billion in total. This project is truly unique, I believe. There will be others but this one is government-wide. We must henceforth ask ourselves, before launching a project, if it is government-wide or if we are managing it for one or two departments. In my opinion, a government-wide project requires a different approach.

Mr. Francis Drouin: Thank you.

[*English*]

Mr. Ferguson, last week you talked about culture. What do you mean by "culture"? I read only the news report at some point, but you really hit the nail on culture. What did you mean by that?

Mr. Michael Ferguson: Again, the reason I raised that was that I was reflecting on the audit we had done on Phoenix and the recommendations we had made, and while there could be more changes to approaches and to policy, I was concerned about those being enough to actually prevent another Phoenix from happening.

You can look at all the controls already in place. We have program evaluations, internal audits, departmental audit committees, departmental performance reports, departmental plans and priorities, and Auditor General reports. We have all kinds of things in the system that are supposed to prevent something like Phoenix from happening. Every time there's a problem, we make recommendations and some other controls go in to try to prevent something like Phoenix from happening, but somehow it happened.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Michael Ferguson: To me, the issue that needs to be examined is what it was in the culture that allowed that to happen.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

We'll go to the five-minute rounds with Mr. Kelly.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you.

Ms. Lemay, this was before my time on the committee, but you appeared in July of 2016 when the size and scale of the Phoenix fiasco was just beginning to be recognized. It was an emergency meeting held in the summer. I understand that my colleague Mr. McCauley asked you then who was going to be fired, and you had rightly pointed out that fixing the problem perhaps needed to be the priority.

Here we are two and a half years later and the problems all still exist. We now have an Auditor General's report, which we are discussing today, that largely placed the blame for the fiasco on three executives and the way they had controlled information and failed to convey critical information to the then deputy minister and minister.

In light of your remarks earlier, in which you said that two executives weren't paid bonuses and are no longer working in payroll administration, at a minimum, could you at least assure Canadians who rightly, as you acknowledged in your remarks, are demanding accountability that the executives who gave us the Phoenix fiasco are at least no longer employed in the public service?

● (1205)

Ms. Marie Lemay: There was actually a small number of executives working on the Phoenix implementation. When I look back, that shows how we underestimated the whole project. There were two senior executives who reported directly to the DM and had the overall decision-making authority. Those executives made mistakes and their performance was assessed. They are no longer on pay...not all of them. Some of them are still with the government; others have left.

Mr. Pat Kelly: Two individuals...so both both of them are—

Ms. Marie Lemay: One is still with the government; the other one is not.

Mr. Pat Kelly: Okay.

What are you doing now? You addressed it in your opening remarks, and we've heard in this report about the culture. What steps are you taking to change the culture at PSPC?

Ms. Marie Lemay: The first thing is that it has to come from the top. It's about what we say but also walking the talk. You can ask my colleagues. You can ask our employees. I absolutely promote an environment in which we have discussions. At every meeting, whether it's my management meeting...we want the discussions. We want to have different views. Diversity is—

Mr. Pat Kelly: Sorry, if I may, are there documented outcomes from these discussions?

When we look at this report, there is an organizational chart that shows all kinds of meetings from a variety of different committees that reported through to executives who then reported through to the minister and deputy minister. I can imagine that at the time, they thought they had wonderful collaborative meetings where people were encouraged to speak their minds. Maybe not...but whether that's the case or not, there were no documented decisions. It leaves the public to conclude that circular, inconclusive meetings took place, and then two or three executives made decisions without disclosing evidence and facts to their superiors.

What are the concrete steps that are going create actual accountability, rather than just more feel-good type of discussions around the culture of meetings?

Ms. Marie Lemay: There are three things. First of all, we will make sure that whatever policy directives are in place will be totally respected. We're doing a lot of work in response to the Auditor General's report in terms of identifying if a project is a government-wide project. Once we know it is, we will set it up differently. We will make sure there are no circular—as the Auditor General identified—committees reporting all to the same person. We're going to disperse that. We're going to make sure the DM has direct advisory committees and independent advice.

All of these things, we're developing right now. We are actually starting to apply them to the way we do business at PSPC. Concretely, we will have processes, but the third leg is not as concrete but just as important. It's making sure that we have the work environment in which people feel that even if we put all these processes in place, they can raise issues, have the discussions, and not fear anything. It's creating a safe, healthy environment on top of the processes, which is what we were trying to do.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much. We now go to Ms. Mendès for five minutes.

[*Translation*]

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Thank you very much, Madam Chair.

I thank all of you for being here with us today to discuss a topic of growing importance in the eyes of the public, I believe.

What do you have to say about the fact that in 2014, the managers assigned to the pay transformation initiative received the Public Service Award of Excellence for their work from Prime Minister Harper? After all, no one yet knew whether the project would be a success or not, since the system had not yet been launched. Moreover, how did the government come to award a prize for excellence to individuals who had not yet proven themselves, since the project was just at its very beginning?

● (1210)

Ms. Marie Lemay: Unfortunately, we are not in a position to answer that, because neither Mr. Linklater nor I were there at the time.

Mrs. Alexandra Mendès: Mr. Ferguson, do you have any comments to add on that?

Mr. Michael Ferguson: No, not really. The only thing I could say is that the award of excellence was granted for different activities, among them the Phoenix project. In fact, I'm not aware of the way in which this prize is granted.

Mrs. Alexandra Mendès: Thank you. I wanted this to be official because that too is a part of this whole saga.

Now that Mr. Ferguson has been giving us his reports on Phoenix since last fall, one of the things that strikes me the most is the lack of logic in having dismissed or laid off almost 800 compensation experts in all of the departments of the government apparatus before the new system was even tested, and before we knew if it would perform effectively. We lost an extraordinary source of expertise and knowledge about the system when these individuals were dismissed or invited to retire. This is beyond me. How did this come to pass?

If my figures are correct, the cost of the project went from $155 million to $274 million, which is an enormous overrun. Were those compensation experts dismissed because of the need to control this increase in the cost of the project?

Ms. Marie Lemay: You raise a very important point. As I said at the beginning, there were in fact two projects at the outset; the purpose of one was to modernize the system used by 101 departments and federal organizations, and the other was a consolidation project.

A comparison with Australia, which launched the same exercise a few years earlier, showed that that country had not dismissed anyone. They kept their people and immediately increased staff when the project was launched. And so we were already behind when we started, because we had to completely rebuild the team of compensation officers, which really put us in catch-up mode right from the beginning.

[*English*]

Mrs. Alexandra Mendès: For the record, with Australia, it was one department. It wasn't the whole of government and not even the whole state government. It was just one department, so there is a big difference in talking about the federal apparatus and talking about one department in one state in Australia.

Regarding this issue of letting go of expertise, Mr. Ferguson, I think this is something that is part of the culture in government when we think about savings and cuts. We have to be very wary of letting go of experts whenever we're trying to do any kind of transformation. It is a very dangerous thing to do, before we are sure that we have succeeded in whatever transformation we are aiming at.

Do you agree with that as an important factor?

Mr. Michael Ferguson: I think in the Phoenix situation, as the deputy minister said, there were really two projects, but the system development project was dependent on the success of the other project of the centralization of the pay advisers. There were very many indications, as we say in the audit, that the pay advisers were not prepared to deal with the amount of workload they were going to be asked to deal with, partly because of the changes that were made to the system. The fact is that one should have been on the critical path of the other. The centralization should have been on the critical path to make sure that was functioning in the right way, before the system was put in place, but they seem to have been kept separate.

As I said in the message, I think that when there are these transformative projects that are intended to result in savings, I think that governments—and I'm not just talking about the federal government, but governments in general—tend to try to build those savings into their budget process too quickly.

In this case, as a result of the changes that were made to the system, PSPC, in fact, should have gone back to Treasury Board and said, "We cannot deliver the $70 million a year in savings because the $70 million a year in savings were estimated, based on the system being able to do certain things and we have reduced that functionality." I think—

● (1215)

The Vice-Chair (Ms. Yasmin Ratansi): No. Time is up. Thank you very much.

Mr. McCauley, you have five minutes.

Mr. Kelly McCauley: Great.

Ms. Lemay, you mentioned earlier that we can't rewrite history, obviously, but we can benefit from it.

Can you tell me what concrete actions you're taking to benefit from this? I know my colleague was asking how we get past just meetings, meetings, and a culture of meetings, so that we actually get concrete actions done to address what Mr. Ferguson has written up.

How do we prevent a fiasco with the shipbuilding? I'll ask specifically, since we asked you and Minister Qualtrough. The Parliamentary Budget Officer, even though he has a right to it under the Parliament of Canada Act, was denied access to the RFP and a lot of the costing for the shipbuilding, which should be vital to the success of the project but also to taxpayers.

Here is a perfect example. We asked about it before and the comment that we got back from you was, "We weren't sure about it." How do we get past the bureaucracy blocking the Parliamentary Budget Officer or other departments getting blocked by the bureaucracy? What concrete actions are you going to take, so that we benefit from this fiasco?

Ms. Marie Lemay: I can assure you that all future major projects are looked at differently. We look at the governance. We spend more time at the beginning of a project than we ever did before, to make sure that it is set up properly.

We know people change. It has to be set up so that no matter who goes and when, the information will flow.

Mr. Kelly McCauley: Sorry, how are you doing that so the information will flow, so that there's transitional information? We see very clearly with Phoenix that there was nothing passed on from the DM churn, and also from government to government when there was a change.

Ms. Marie Lemay: If we look at the comparison with shipbuilding, it is also a major, complex project, but that's where the comparison ends. On shipbuilding, we have governance at several levels, including minister, deputy ministers, ADMs, and DGs, and we have three departments—

Mr. Kelly McCauley: However, I just gave you an example of the bureaucracy blocking the Parliamentary Budget Officer from accessing what he should be able to access by right of law.

We've heard repeatedly from Mr. Ferguson, as well as from you and other witnesses, that everything was set up and should have worked, but bureaucracy, the culture, blocked it.

Here we have a perfect example of the culture blocking the Parliamentary Budget Officer. We're aware of it. It's televised. We all know about it. We knew about it two weeks ago, but nothing is changing.

Ms. Marie Lemay: I have to get back to you on that specific point, but I can assure you that in the case of shipbuilding, there are at least three departments involved on each decision, and central agencies are on board. A program such as shipbuilding is again a very long-term program, and cost and budget are important.

Remember, in Phoenix, we're being accused of cost and budget actually driving the problem, so we have to be careful to find that balance with the proper—

Mr. Kelly McCauley: We're not accusing about that. Our concern, and what Mr. Ferguson talks about, is culture. You mentioned that you're learning from Phoenix and are going to benefit from it. I'm asking what concrete actions your department is taking to ensure that we're not here two years, five years, or 10 years from now with jets, the shipbuilding, or other things.

Ms. Marie Lemay: I will tell you again, at the beginning of the project, we spend a lot of time setting the governance and the oversight properly, and then making sure that the leadership is engaged on the large projects.

Mr. Kelly McCauley: Okay.

When we look at Queensland, they commented that they were able to get to a steady state in four months. We're not at a steady state two and a half years later. Queensland addressed the issues at three weeks. As we've heard, Mr. Ayoub has been with us on this committee, as well as Ms. Ratansi, and I think Mr. Peterson and Mr. Drouin, from the very beginning, going back to January or February 2016 where we brought up the issues, and they weren't really addressed until five months later when we forced the emergency meeting in July.

Why did we wait so long to tackle it? Clearly, Queensland tackled it immediately and got to a steady state. We ignored it, and we're still not at a steady state two and a half years later.

Ms. Marie Lemay: There are a couple of very significant differences between Queensland and us. One was raised. It's not the same size. It's not the same scope.

They did not let people go, so they started with a full contingency of people and started adding right away. Also, in my understanding of it, they were seized with more acute problems right away.

Remember that our payroll started paying the ongoing pays, every two weeks, so the transfer of data—

● (1220)

Mr. Kelly McCauley: Two months later, from your department, there were only 77 issues. If you were—

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Ms. Marie Lemay: I would just like to correct the record that we did act in June.

The Vice-Chair (Ms. Yasmin Ratansi): I'm sorry. I will let you finish your answer, but Mr. McCauley, you can't ask the question.

Go ahead.

Ms. Marie Lemay: We did actually react before July. In June, we announced the setting up of satellite offices.

The first satellite office I believe was set up on July 4, or July 1, and we had to recruit. In July, it was not easy to recruit old compensation advisers who had been let go. Bringing the capacity back up to speed has been a real challenge. We've had to train many people. Les could speak to that. It's not an easy thing to build back the capacity.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

We'll go now to Mr. Peterson for five minutes.

Mr. Kyle Peterson: Thank you, Madam Chair, and thank you to the witnesses for being with us this afternoon. We always appreciate the time and effort that you spend with us.

I want to look back on the Auditor General's reports, report 1, which came out last fall. Within that report, there were six recommendations. They were addressed to both PSPC and the Treasury Board. Seeing that everybody is here today with the Auditor General, I thought it would be an appropriate time to just check in on the progress of those recommendations and see what has been implemented since that report and how we're progressing along that path.

Mr. Linklater, maybe.

Mr. Les Linklater (Associate Deputy Minister, Department of Public Works and Government Services): Certainly. Thank you for the question.

We have been working very closely with the Treasury Board Secretariat and with departments and agencies across the government to follow up on the recommendations from the fall report. We have been looking at key root causes. We did set up a group last summer that had representation across government with IBM and others to do a deep dive with regard to root cause issues, whether they were technology, training, or change management.

We're now rolling out a suite of measures, which Minister Qualtrough announced last November, as a first pass of key early priorities for the interdepartmental community to work on with the leadership of my team. We have gone forward with governance improvements, as recommended. We have the interdepartmental committee, the oversight committee of deputies to which I report, which is chaired by the deputy clerk. We have structures at the ADM and DG levels that replicate that so that we can systematically bring through issues that will have an impact on addressing the queue and providing improved pay outcomes to public servants.

We have also been looking at the capacity building issues that Madam Lemay has alluded to. We have, in effect, almost tripled the staff complement across the country, in Miramichi and in satellite offices, to be able to really address the outstanding pay requests and facilitate the transition to our pod processing model, where we will now be looking at employees' files completely as opposed to transaction by transaction. Once they're clean and we're dealing with things in real time, they should not have any further issues with backlogs.

We've also been looking at a number of issues around the go-forward strategy that was announced in budget 2018 under Treasury Board's leadership. That work is progressing.

We've also been dealing with the technical issues that continue to occur, looking primarily at those change requests for the system that will have the biggest impact on system improvements and interface issues between the 32 HR systems and Phoenix, to make sure that, to the extent possible, we're getting better data alignment and allowing departments and agencies with new tools around timeliness and accuracy of data to look at their own internal processes—as Madam Lemay was saying—from employee to HR, before HR sends things to the pay centre in Miramichi.

Mr. Kyle Peterson: Okay. Thank you.

Mr. Wallace, I think we have a minute left, so I'm sorry to cut....

Madam Hassan, if you want to....

Ms. Sandra Hassan (Assistant Deputy Minister, Compensation and Labour Relations Sector, Treasury Board Secretariat): [*Inaudible—Editor*] our recommendation, which was to work with PSPC to submit accurate information and to enable departments to meet the terms and conditions of employment, and also to support PSPC and departments and agencies in the development of performance measures to track and report on the accuracy and timeliness of pay, as Mr. Linklater alluded to. We're collaborating with PSPC as well as departments and agencies to address these recommendations, and we continue to work diligently to provide the information to this committee as soon as possible.

● (1225)

Mr. Kyle Peterson: Thank you for those answers.

Mr. Ferguson, one of your recommendations in the most recent report suggested that TBS should actually carry out mandatory independent reviews for government-wide IT projects. Would you see these as limited only to IT projects, or would you see an application for other large-scale projects, as well?

Mr. Michael Ferguson: The recommendations we made, obviously, were in the context of an IT project, but I think those recommendations need to be considered in the context of other large and complex projects, as well.

Mr. Kyle Peterson: Thank you.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Blaikie, the floor is yours for three minutes, please.

Mr. Daniel Blaikie: Thank you very much.

We've heard a few times already just today that the two projects of consolidating the pay centre and implementing the new software were conceived as two separate projects. I think we've heard from the Auditor General that this was problematic, and that, at the very least, those two projects should have been considered together, even if they weren't merged into one project. I'm just wondering, for my own understanding, what was going on. Were the same executives who were managing this software transition also managing the consolidation, or was it actually being run by two different teams?

Ms. Marie Lemay: I believe it was the same. You have to realize that many people filled the different roles over the eight-year time frame. When we say that we have to be careful because over the eight years—and I haven't counted the number of different assistant deputy ministers, associate DMs, and DMs—a number of people were involved. But, yes, the two projects were managed through the same branch.

Mr. Daniel Blaikie: I think part of the reason that's relevant is just trying to understand.... If the old pay system had been allowed to continue past the implementation of the new one, so it was available as a backup, that strikes me as the obvious best practice. It seems to me the reason that wasn't the case is that the consolidation was happening and the two projects weren't in each other's critical paths.

Consideration wasn't given to the fact that pursuing the consolidation too quickly would remove the possibility of preserving the old system until we knew the new one was working. Is that a fair characterization of what happened?

Ms. Marie Lemay: At this point it's hard for me to know what's in the past, whether they were linked, because the consolidation had an impact—

Mr. Daniel Blaikie: Who could we ask, if it's not you?

Ms. Marie Lemay: It would have been how the two projects were conceived and the timing of those two. They did finish at the same time, which I'm not going to say was planned that way originally, but that's how they finished.

Mr. Daniel Blaikie: Ms. Lemay and Mr. Ferguson, I wanted to ask with whatever remaining time I have—I know it won't be a lot—I don't think we'll get to it, but I know that in an organization, from a management point of view, you don't want to create an environment where people feel they can't make any mistakes at all because you don't have any learning, but you certainly also need accountability. When you have catastrophic failure, you also send a wrong message. Without anybody being held accountable for this at the end of the day, which seems to be the situation, what kind of message does that send within the organization?

The Vice-Chair (Ms. Yasmin Ratansi): He'll have another seven-minute round, so you can answer then.

We'll have time for a full seven-minute first round.

We're going to go with Mr. Ayoub.

[*Translation*]

You have seven minutes.

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Madam Chair.

I thank all of the witnesses for being here.

Mr. Ferguson, your report is very clear. We had been waiting for it for a long time, particularly with regard to Phoenix and the way in which it was implemented. You spoke about culture, and on my side, I'd like to talk about philosophy. You can tell me if there can be a link between those two aspects.

One of my sources is the Office of the Information Commissioner of Canada, which commented on budget preparation around 2010 and 2011. The Minister of Finance was Mr. Flaherty. The government watchword at the time was very clear: cut, cut, cut and reduce budgets in order to eventually be able to control the deficit and have a balanced budget. This was called the Deficit Reduction Action Plan of the Office of the Information Commissioner of Canada. This goes back to the time when Phoenix was being developed. Seven hundred positions were cut, and everything was done to reduce costs by 5% to 10% everywhere.

In your report, in point 1.62, as an overall message, you say that:

> [...] there was no oversight of the Phoenix project, which allowed Phoenix executives to implement the system even though they knew it had significant problems. [...] Phoenix executives were more focused on meeting the project budget and timeline than on what the system needed to do.

This is where philosophy and culture meet. I feel the report has identified a culture of fear. No one wanted to point out the problems because they did not want to be singled out. People knew they were headed for a wall but they moved forward anyway. They were so scared that they did not say so.

Now there are new public servants and a new government and they are being criticized. There are also employees involved who have not been named and whom no one wants to name. Honestly, it would not serve any purpose to do so. The culture is what needs to be changed, and that is what is happening. We have to adopt a new way of doing things and rehire resource persons. That is what is being done and that is what Ms. Lemay always tells us. We are trying to rehire the right people who know the proper practices and have experience.

Finally, it is the culture of fear and the philosophy of avoiding deficits at all costs that led to this situation. The Liberals are criticized daily about the deficit. This does not mean that there have to be deficits, but there are times when we must make philosophical and economic choices.

How can we reconcile this culture of reaching objectives at any cost and the mess we are still trying to clean up? Although we see some improvement, we still can't see the end of it.

● (1230)

Mr. Michael Ferguson: Any government has goals and objectives. The government must set the day's agenda. The public servants must always provide all of the information and all the details. Here we are saying that because of the preoccupation with the budget and the deadline, the executives in charge of Phoenix did not mention that the savings would be less than anticipated.

Whatever the environment may be, there are consequences. It is important that the public servants know what the consequences are and share them with the deputy minister and the minister. They must point out that the results will be different if it is not possible to reach all of the objectives.

There are always objectives, but it is the role of the public servants to explain what is possible and the issues they are facing.

Mr. Ramez Ayoub: Thank you.

That is indeed the role of public servants. However, since the messages did not get through, it is clear that there was a lack of trust. All of the officials did not receive the same information, particularly the ministers who were in place when the Phoenix system was launched.

What is particular about this case is that businesses like IBM normally carry out pilot projects and do project management when initiatives of this scope are implemented. However, all of the usual basic conditions that one would normally expect were skipped. I am staggered to learn that no pilot project was carried out, despite this being such a major change. That step was deliberately skipped over. Given these conditions, bad surprises were inevitable. In all cases, there are pilot projects. There may have been a semblance of a pilot project. We were told that the project was given the go-ahead, but before that, perhaps the project had not been studied in sufficient depth.

I heard it said that some employees were no longer there and that others had been assigned elsewhere. Recently, we did a study here on whistleblowers.

● (1235)

[*English*]

The Vice-Chair (Ms. Yasmin Ratansi): Mr. Ayoub, you'll have to wrap up. You have two seconds.

That's it.

[*Translation*]

Thank you very much.

Mr. Ramez Ayoub: However, this type of thing amounts to sabotage.

[*English*]

The Vice-Chair (Ms. Yasmin Ratansi): Next is Mr. McCauley for seven minutes.

Mr. Kelly McCauley: My colleague talked about a culture of fear. Considering all the information that was brought forward on the issues of Phoenix.... We heard testimony in this committee that in January 2016 the unions were bringing it forward. We've seen documents from all the heads of HR and the heads of finance for all departments. They all brought the issues forward. I would suggest that it's more a culture of non-accountability than a culture of fear that we're suffering through right now.

Ms. Lemay, I want to read a quote from you from the previous report. This is paragraph 1.78 of the fall 2017 report. It says:

> We found that 16 months after the pay problems first arose, there was still no comprehensive governance structure to resolve the underlying causes of the problems. In contrast, Queensland Health, a government department in the Australian State of Queensland, which had similar problems with a pay system, put in place a comprehensive governance structure within four months of pay problems arising.

I want to get back to why it took us so long.

We talked about capacity. We have an Order Paper response from the government, signed by Mr. MacKinnon, saying that there were no capacity issues. Was that just part of this internal problem of not accepting that there was an issue?

I also want to bring up the bit about hiring and addressing the staffing ramp-up. We did another Order Paper question that showed that we had one job posting for 10 days between January and July for pay advisers. We said that we were trying to find some, but the information provided to us from the bureaucracy shows only one posting for 10 days. When that expired, we did not post any other.

We also have the report showing that capacity was not an issue at Miramichi. Obviously it was an issue, but the government says in writing that it wasn't an issue. Is this again part of the whole problem of the culture, whereby people are just putting forward wrong information to cover up?

Ms. Marie Lemay: Mr. McCauley, I have been speaking to this committee since the July 2016 special committee meeting—

Mr. Kelly McCauley: I've been at them all.

Ms. Marie Lemay: —and I've been as open as I can be with you every time in terms of where we are with this.

The capacity building has been an issue. There's no compensation out there. We have to train them. That's part of it. We've tried many things. We've tried with the unions, we've tried posting—I can have Les speak more to it—and now we have to train them. That is a real issue.

Mr. Kelly McCauley: Mr. Ferguson's comment, again—and this was last fall—was:

> We found that 16 months after the pay problems first arose, there was still no comprehensive governance structure to resolve the underlying causes of the problems.

We had numerous meetings. Why, 16 months after, did we still not have a governance structure set up to address the problems?

Ms. Marie Lemay: You'll remember that at the beginning, when the launch happened, many people expected to see some issues. You'll remember that the first.... I think it was in May that we were thinking there were just a few issues. Then in June—

● (1240)

Mr. Kelly McCauley: I'll correct that "May". In February and March, people on this side of the table brought up repeatedly that it's much larger. It was only the government that said it's not an issue, or that it was a small issue, so I'll correct you there.

Ms. Marie Lemay: I apologize. I wasn't there in February 2016, but when we came in May, it was that small number. Then we said by June that we realized this is bigger. It's not the normal.... That's when we started setting up the offices. We started a proceeding.

You'll remember that we received a number of transactions from the departments that were pre-Phoenix. It was something we did not expect, and at that time we thought that building the capacity to address those would help.

Mr. Kelly McCauley: Let me just interrupt you.

Ms. Marie Lemay: Can I just—?

Mr. Kelly McCauley: Let me just interrupt you there. We all knew. We knew in January, because we brought it up. We actually have you or Minister Foote stating that the unions had warned you in January 2016 that there were problems with Phoenix, with the testing. We have all the reports showing that there were issues. We had meetings in February at which we brought it up, and we had our meetings in OGGO in April, when we brought it up, and we had issues in May.

Why did it take so long—until June—to recognize this, with everyone telling us we had issues? Why did it take so long? Is this just, again, part of the culture of—?

Ms. Marie Lemay: That's what I'm trying to get at. Remember, the "go live" was in February. The first meeting I recall is May 2016, at which we talked about numbers, and in June we built the capacity.

The one thing we realized in the fall was that this was a much more complex problem in terms of having to make sure of the HR-to-pay link, and that we needed to make sure that the integration and the data.... That's when we started engaging the department.

In early 2017, Les joined us, and the Prime Minister set up the working group of ministers. There was a team of integrated HR-to-pay people set up, and we've been continuing to build the capacity and work on those fronts.

I think we have acted very quickly with the information that we had. In the planning of the project, there were a number of flaws. When the implementation happened, we had to react—

Mr. Kelly McCauley: I'm almost out of time. I want to ask a question to Mr. Ferguson.

You've been, I think, four times with us now in the last week. How confident are you that the recommendations you put in the fall report and this report are being followed up, that we're addressing the "incomprehensible" culture or the incomprehensible errors?

Mr. Michael Ferguson: In our work, we like to go back and do an audit before we comment on how successful implementation has been. We've seen the action plan. We are quite confident that the departments involved have taken our recommendations seriously, but as to saying how effective they have been, I think the metrics will show that. If the number of people and of outstanding pay changes start to reduce, the metrics will start to show whether they are being successful. Then, at some time in the future, we'll come back to do some additional work on it.

Mr. Kelly McCauley: Thanks very much.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Kelly McCauley: I want to introduce my motion, please.

The Vice-Chair (Ms. Yasmin Ratansi): I'm so sorry. You're out of time.

We'll go to Mr. Blaikie. Take seven minutes, please.

Mr. Daniel Blaikie: I want to come back to the question of the two projects being pursued in tandem and whose decision that was. Part of the reason I want to come back to it is that what I find disappointing in the answer—and I appreciate that Ms. Lemay was not there and that it wasn't the current minister either—is that when we talk about trying to learn lessons, I'm not reassured from your answer that you figured out who took that decision because you wanted to talk to them, or that the department is making an effort to talk to the people who made those decisions at the time to understand what went wrong.

Have you reached out to some of the former deputy ministers who were there, to sit down with them? If so, why can't you offer a better idea of what the thinking was at the time? Is it because you haven't talked to them about it?

Ms. Marie Lemay: First, I would say that I can tell you how we would plan it, if we had to, so that we could go there, but we've been so focused on getting the issue solved.... I don't mean to sound like... but we have really focused on the future and getting a pay issue addressed. We're now starting to be able to turn our eye to....

We've obviously taken the lessons from the Auditor General and from Goss Gilroy to try to adjust, but also on a go-forward basis to make sure that no other project was starting and was being tripped up. That's where we've had to focus our attention. We will soon be able to go back in more depth to some of the "where" and "what" questions. To a certain extent we want to get those answers, if they benefit us in planning for the future in terms of lessons learned. We have, however, been able to capture what the Auditor General and Goss Gilroy have said for the future.

To answer your question, then, we're much more focused on the future than on looking backwards right now.

● (1245)

Mr. Daniel Blaikie: I hear you on that. I would humbly suggest that I think those conversations are important, in part to try to initiate the culture change the Auditor General has talked about. If you don't go back and talk to those people—and I'm not talking about a witch hunt or persecuting them or anything like that—and have those conversations, then I don't know how you show in your department that it matters who took what decision when and that people now are still concerned to know. The answer that "I wasn't there and I don't know, and you'd have to talk to somebody else, but I don't know who that person would be" seems to me to be part and parcel of the culture that leads to a lack of accountability, if people feel that the buck can be passed that easily.

Ms. Marie Lemay: I just want to reassure you, though—and I'm sorry if that is the impression I gave—that we did talk to the people who were in the department at the time. Again, though, delving into all of the eight years of what decision was made when didn't feel at that point like the best use of our time at the moment.

I take your point, though, and we will do so as we reflect on going forward, the minute we have this more under control. We're just starting to see some signs. We're not declaring victory. We're just working really hard to get people paid accurately and on time.

Mr. Daniel Blaikie: In the time I have left, I would like to come back to the question we left from my last intervention about how you address mistakes within an organization. You don't want to be so hard on everybody all the time that nobody feels they can make a mistake. That leads to a kind of perverse culture. On the other hand, if there aren't any consequences for anybody, particularly with respect to very large mistakes that have important consequences both for government, in terms of cost and everything else, but also for staff morale and on the lives of individual staff who are being seriously affected at a personal level, then that's probably also not good for an organizational culture.

I'd like to hear first from you, Ms. Lemay, and then I wouldn't mind hearing from Mr. Ferguson as well, on the same points.

Try to give a brief answer so that we have time for both.

Ms. Marie Lemay: I want to thank you for the question, because it's a really good one.

In this specific case, the performance of the senior executives who were responsible and were reporting directly to the DM was assessed. We have tools in place within the federal government and those were used. The one thing I believe is that there was no ill intent. I don't think these people woke up in the morning to make the system crash.

Looking now at everything and all the information we have, yes, they made mistakes, but even the Auditor General pointed out that there were other issues of oversight, of governance. To bring it down to two or three people is, I think, not to understand the complexity of this whole thing.

The people were assessed, their performance was assessed with the tools that we have, and I think this was noticed—I know it was in my department—and it's a question of balance, of being fair in our assessment of mistakes.

Mr. Daniel Blaikie: Mr. Ferguson, what do you think of that as a response?

Mr. Michael Ferguson: I would say that in something like the Phoenix situation it is particularly difficult to address that question, because the problems touch so many people and have affected so many people.

As the deputy said, I'm sure that the people involved in the project didn't intend it to turn out this way, but I think we saw two problems in the course of our audit. One was that it was not clear, right from the very beginning, who was going to be accountable and responsible. The other part of it was, and you see part of the consequences of it today, the churn—for example, at the deputy minister level. The number of different people who served in the role as deputy minister makes it hard. Even the individual who was in place at the time of the decision had only been in that role for about a year. I think this makes it difficult to identify somebody as accountable.

That's why in my message I indicate that, either by design or by accident, it almost seems as though Phoenix was set up in such a way as not to have somebody who was specifically accountable or responsible. A lot of it was that in the beginning it was not identified who was going to be accountable, and then there was so much turnover at the deputy minister level that it makes it hard to assign accountability.

● (1250)

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Peterson has the last seven-minute round.

Mr. Kyle Peterson: Thank you, Madam Chair.

I think I'm the last intervenor here, so I'm going to thank the department, frankly, for working from a difficult situation toward some progress, towards the outcome that we all want, and that is to make sure that all the federal public servants are paid properly and on time. Kudos for that, for the work you've done to recover from what, frankly, I think we all agree was a very difficult situation. It came about for a plethora of reasons, as iterated in the reports that we've seen and testimony here before our committee. There was the forced savings of $70 million, the removal of 800 personnel, the lack of oversight, which we see in the most recent report. Some of these behaviours were actually rewarded as innovative, which I don't think is appropriate.

Then, we're moving forward now and trying to get to some resolution, which I think is important, and I commend all of you who played a role in helping us all, as public servants ourselves, to improve lives and the situation. We all empathize and sympathize with employees who are in a precarious situation for pay reasons, if they're not being paid on time or have tax liabilities that put them in a situation in which they're not able to pay their own bills.

On behalf of everyone on the committee, I think it's fair to say that we thank you for the efforts you're making. There's much work to be done, but progress is always good to see. Thank you for that.

I want to go back to the word we've talked about a lot: culture. I don't want to call the culture a scapegoat culture, because when you say "scapegoat", there is the implication that it's not deserved. The culture, however, is I think blameworthy at least and responsible for some of the shortcomings.

Mr. Ferguson, you're the one who put this word or concept into our committee's deliberations with your second report. How would you characterize the culture that was in place during the eight-year frame of your second report, from 2008 to 2016—if you could characterize it, even?

Mr. Michael Ferguson: You cannot capture a culture in one word. There are many different ways of looking at it. In the message I delivered, I talked about a number of different things. Again, as we discussed earlier, one of those, particularly when you're dealing with something such as a payroll project, is that in government, back office administrative projects are in general not government's favourite types of project. I think they are by definition controlled very tightly on things such as budget and timeline, but it is very difficult to establish how much it's going to cost or how long it's going to take. When you're doing a complex IT project, it's a very difficult thing to do up front. I think that's one aspect.

The other aspect is that in general when there are going to be budget savings from a project, governments have a tendency to try to take those out of departments too early. We also see—and I think Phoenix illustrates it—that sometimes when people are responsible for something, they fall back on looking at the policies and follow the policies from a form perspective rather than a substance perspective, so that they can say they did everything in the policy, but without necessarily making sure they were doing it with the intent with which the policy was requiring it to be done.

I think, then, that there are many different aspects of the culture. As I say, for me it was a reflection upon the fact that somehow Phoenix happened. Despite all the different controls and all the different procedures and policies in place, somehow Phoenix happened. I'm not trying to say that my characterization of culture is right, but I think there needs to be a discussion about how it was that Phoenix was able to happen, even though all of those controls and restrictions were in place. Do people feel that those controls are in fact too restrictive and therefore need to be able to say, "We followed the policy", and be able to defend themselves by saying that?

I think there's a lot of thinking and discussion that needs to go on about the culture.

● (1255)

Mr. Kyle Peterson: I like the concept you introduced of form over substance. Is that to suggest that a public servant, when stuck with a dilemma in the implementation of this program, would refer to the policy to figure out what to do instead of picking up the phone and talking to somebody? Is that part of the problem?

Mr. Michael Ferguson: I think part of the problem is more that they look to the policy. The policy tells them to do something, and then they do it in a way that they can argue fits the form rather than the substance.

In the Phoenix situation, the example I would give would be that the senior executives brought in S.i. Systems to do an external review. S.i. Systems did their work and identified some issues, but their work was controlled essentially by the people responsible for the project and they reported to the people responsible for the project. The substance for why an external review was done was to get essentially an independent and objective view, and that review should have been done in reporting directly to the deputy minister rather than to the project executives.

It was a case of saying, okay, the policy requires us to do this, and we will do this, but it was not done in a way that was really respecting why the policy was saying it should be done.

Mr. Kyle Peterson: You alluded to this in your report.... Actually, you didn't allude to it; you expressly said there was a miscommunication, I think. I don't want mis-characterize it, but I'm going from memory. There was a mistrust between the levels within the bureaucracy and then between perhaps the DMs and the political...or not a "mistrust" but maybe a reluctance to have open communication.

Mr. Michael Ferguson: Just the importance of understanding that there needs to be a certain tension between what ministers are trying to achieve and the role of civil servants.... I mean, obviously in the political world there's more of a focus on the four-year election cycle, and I think deputy ministers and the civil service need to have a focus on that. Also, of course, they're responsible to implement government policy, but they also need to be looking more to the longer term as well in being able to bring forward those types of issues, so that there needs to be a bit of tension between the ministers and the civil servants.

Mr. Kyle Peterson: Thank you, everyone.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

I'd like to thank the witnesses. I'm going to suspend.... We're still in public. I'll excuse the witnesses.

We will continue. I will cede the floor to Mr. McCauley, who has a motion.

Go ahead, Mr. McCauley.

Mr. Kelly McCauley: Thanks. I just want to bring through my motion.

A voice: Are we back in order? You were suspending...?

The Vice-Chair (Ms. Yasmin Ratansi): No. We are back in committee business.

Mr. Kelly McCauley: Thank you.

I'll bring forward my motion that I tabled last week:

> That the Committee extend its sitting on Thursday, June 7, 2018, to hold a panel meeting with Treasury Board Secretariat officials and officials from each of the Canadian Food Inspection Agency, Department of Finance, Department of Fisheries and Oceans, Department of Foreign Affairs, Trade and Development, Department of Indigenous Services Canada, Department of Industry, Department of Natural Resources, Department of the Environment, Department of Transport, National Research Council of Canada, and Office of the Commissioner for Federal Judicial Affairs to discuss their allotments in the Main Estimates 2018-19 as per the online list provided by the Treasury Board Secretariat.

I think my colleague Mr. Kelly will put through a friendly amendment to change it to Monday.

Mr. Pat Kelly: I want to amend it just to change it from Thursday to Monday. I understand that there's been discussion. I hope there will be consent to amend Mr. McCauley's motion to substitute the words "Monday, June 11" rather than having "Thursday, June 7", and to proceed with the motion from there. That's all.

● (1300)

The Vice-Chair (Ms. Yasmin Ratansi): For the benefit of the committee, we have checked with Treasury Board officials, and they are available Monday afternoon. The only thing is, first, we must agree to adopt the motion.

Mr. Daniel Blaikie: I do want to speak briefly to it.

I don't oppose the motion or the amendment, but I would say that it seems to me there have been some discussions between the government and the official opposition. As somebody who's a vice-chair of the committee and represents another official party on the committee, I think that if the government is going to negotiate with opposition members about a supplementary meeting, they should negotiate directly with the NDP, as well as with the official opposition. That didn't happen. I think it's worth having that on the record and I'm saying that in future it will not be well received if we're not part of negotiations on supplementary meetings.

The Vice-Chair (Ms. Yasmin Ratansi): It's a point well taken. I think because it was Mr. McCauley's motion, I guess the negotiation was among committee members, actually.

(Motion agreed to [See *Minutes of Proceedings*])

The Vice-Chair (Ms. Yasmin Ratansi): One thing we need to know is that we will have to keep it from 3:30 to 5:30.... I think that's the time available for Monday.

Mr. Kyle Peterson: It has to be before QP procedurally, I think.

The Vice-Chair (Ms. Yasmin Ratansi): Officials are not available.

Mr. Kelly McCauley: We could leave it with Patrick and when he can find the most officials, because it's pointless if we show up at 3:30 and we just have one person here.

Mr. Kyle Peterson: It has to be before QP, I think.

Mr. Kelly McCauley: That's why I am saying we should focus on where we get the most officials.

The Vice-Chair (Ms. Yasmin Ratansi): Fair enough.

Mr. Kyle Peterson: Yes, leave it with the officials.

Mr. Kelly McCauley: If it's 8:30, they can all show up.

The Vice-Chair (Ms. Yasmin Ratansi): It's 11 o'clock.

Mr. Kelly McCauley: No, I'm saying whenever we can get the most officials. We should work around when our clerk can find the most people, rather than most of us....

Mr. Daniel Blaikie: I think Mr. McCauley has a very good point. All I would ask is that for travel arrangements some of us will have to know, with some lead time. It's different whether—

The Vice-Chair (Ms. Yasmin Ratansi): It's 11 o'clock or three o'clock.

Mr. Daniel Blaikie: —it's happening on a Monday afternoon or a Monday morning, so it would be useful to know sometime tomorrow, with enough time to be able to change a booking.

The Vice-Chair (Ms. Yasmin Ratansi): Fair enough. Perfect.

Thank you. The meeting is adjourned.

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